

Person to Contact: [REDACTED]

Telephone Number: [REDACTED]

Refer Reply to: [REDACTED]

CERTIFIED MAIL

JUN 26 1989

Dear Applicant:

We have considered your application for recognition of exemption from Federal income tax under section 501(c)(4) of the Internal Revenue Code of 1954.

The information submitted indicates that you were incorporated on [REDACTED] under this laws of the state of [REDACTED].

Your stated purpose is solely to supply natural gas heating to [REDACTED] homes and businesses. No other users will be admitted.

Section 501(c)(4) of the Internal Revenue Code exempts organizations which are civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare.

The term social welfare suggests benefits affecting a whole community of people rather than a private group of citizens.

Revenue Ruling 54-394, published in Cumulative Bulletin 1954-2 page 131 held that an organization whose method of operation was such that only members of the organization received benefits was operated for the benefit of its members rather than for the benefit of the community and, therefore, not exempt under section 501(c)(4) of the code.

Your organization limits its membership to [REDACTED] members. Admission of new members is specifically excluded. Benefits of the organization are limited to the [REDACTED] members only. No benefits are available to the community at large.

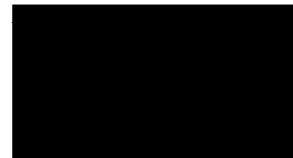
It is found that the foregoing organization and method of operation constitute an organization described by Revenue Ruling 54-394 for which exemption under section 501(c)(4) was denied.

Accordingly, you do not qualify for recognition of exemption from Federal income tax under section 501(c)(4) of the code.

Until you have established an exempt status, you are not relieved of the requirements for filing Federal income tax returns.

If you do not accept our findings, we recommend that you request a conference with a member of our regional Office of Appeals. Your request for a conference should include a written appeal giving the facts, law and any other information to support your position as explained in the enclosed Publication 892. You will then be contacted to arrange a date for a conference. This conference may be held at the regional office or, if you request, at any mutually convenient District office. If we do not hear from you within 30 days of the date of this letter, this determination will become final.

Sincerely yours,



District Director

Enclosure:

Publication 892